



TOWN OF DUNSTABLE AND GROTON DUNSTABLE REGIONAL SCHOOL DISTRICT

Discussion – November 7, 2023



OVERVIEW

- Introduction
- FY24 Overview
- FY25 Budget and Financial Forecast
- 2016 GDRSD Preliminary Withdrawal Feasibility Study
- Short– and Long-Term Strategies and Options to stabilize budget

INTRODUCTION – SETTING THE TABLE

- Town is currently evaluating all budgetary and operational options – Town and Schools - because of its financial situation.
- No decisions have been made, and it is unlikely any decisions will be made tonight or anytime soon.
- Nobody wants to withdraw from the Groton Dunstable Regional School District.
- Town leaders need to prepare for worst-case scenarios, while hoping for the best.
- Tonight is the start of a discussion about the Town's options for FY25 and beyond.

FY2024 BUDGET OVERVIEW

FY24 BUDGET

- Town requested General Fund Override in the amount of \$301,162
 - Passed at Town Meeting
 - Failed at the ballot
- Reductions in FY24 because of failed override
- Fully funded Groton Dunstable Regional School District Assessment – approximately 7% increase

FY24 REDUCTIONS

- Police
- Fire
- Highway
- Parks
- Selectmen
- Treasurer/Collector

FY24 INCREASES AND DECREASES

Town Budget

FY23: \$4,926,445

FY24: \$4,766,856

Reduction of \$159,589

Groton Dunstable Regional School District Budget

FY23: \$7,590,208

FY24: \$8,061,150

Increase of \$470,942



School
Operations
and Debt
Service
6.20%



Town
Operations
and Debt
Service
-3.24%

FY24 REDUCTIONS

Police Department

Reduced 1 police officer position causing a reduction in coverage on the overnight shift from 2 to 1 officer, Monday through Friday. When receiving multiple calls for emergency response, this results in an increased reliance on mutual aid, expected to affect response times.

Fire Department

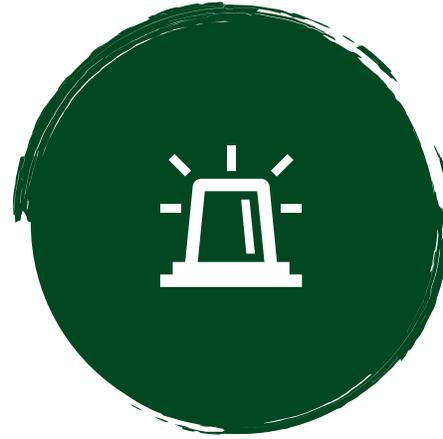
Reduced the per diem firefighter schedule from 2 to 1 from 8 AM to 4 PM, 7 days per week causing an increased reliance on on-call firefighters and mutual aid. This was expected to affect response times and the ability to respond with limited staff back-up and support. Fortunately, a donor came forward to pay for the 2nd per diem position for FY24.

Highway Department

Without the addition of the new employee, the Department will continue to have 1 employee work alone much of the time, restricting the type of work that can be performed. Communication improvements and required stormwater maintenance were cut.

Parks, Selectmen, Treasurer/Collector Departments

The Parks Department experienced a reduction in requested landscaping and irrigation maintenance funding, Selectmen Department has reduced professional development and training, and Treasurer/Collector has less funding than requested for staffing support.



Police
\$84,874



Fire
\$52,824



Highway
\$73,464



**Parks, Selectmen,
Treasurer/Collector**
\$15,000

FY24 BUDGET

- Over the course of the FY24 budget year the Town has regionalized services with the Town of Pepperell:
 - Shared Treasurer/Collector position
 - Shared Town Clerk position

The Town is regularly evaluating the manner in which it provides services and is staffed and seeking out opportunities to provide required services more efficiently.

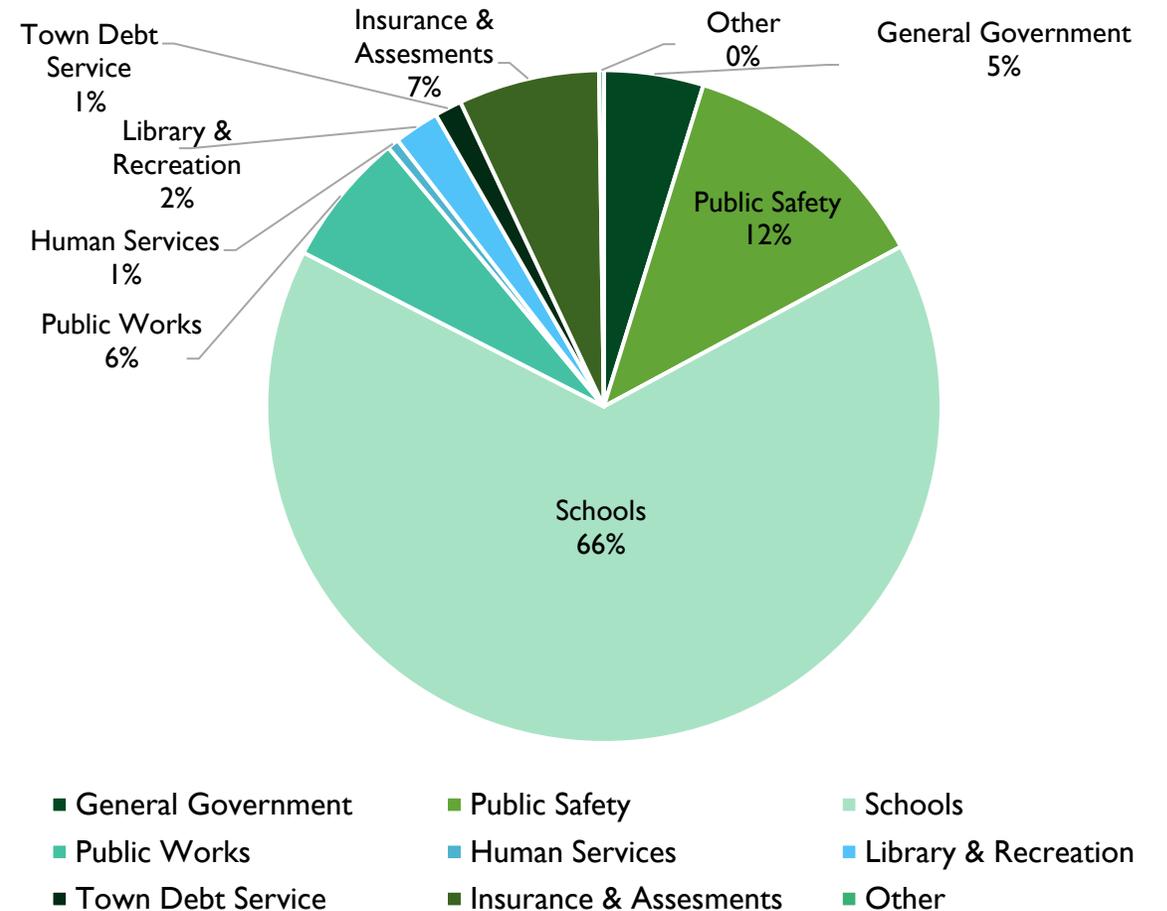
FY2025 BUDGET FORECAST

REVENUE

- A total of \$402,097 in new revenue for FY25 projected
 - Revenue
 - A reduction of \$50,000 in free cash use: \$352,097
 - Expenditures
 - Added \$119,344 in capital costs: \$232,753
 - **Total available new revenue: \$232,753**
- GDRSD is 62% of operating expenditures, town is the remaining 38% in current fiscal year.
 - 62% of available revenues equates to \$144,307 (1.79% school increase)
 - 38% of available revenues equates to \$88,446 (1.9% Town increase)

EXPENDITURES

Budget Category	FY24 Budget	FY25 Financial Forecast
General Government	659,182	685,690
Public Safety	1,666,566	1,777,066
Schools	8,292,773	9,419,687
Public Works	911,976	923,504
Human Services	78,382	80,528
Library & Recreation	307,171	312,263
Town Debt Service	187,693	187,702
Insurance & Assessments	955,886	972,998
Other	32,323	32,369
Total Town Budget	13,091,952	14,391,807



FORECASTED SPENDING INCREASES

General Government	3.88%
Public Safety	6.69%
Schools (GDRSD & Lowell Tech)	13.59%
Public Works	1.26%
Human Services	2.74%
Library & Recreation	1.66%
Town Debt Service	0.00%
Insurance & Assessments	1.79%
Total Town Budget	9.95%

FINANCIAL FORECAST PROJECTED DEFICITS

	FY25	FY26	FY27	FY28
Surplus/(Deficit)	(1,067,093)	(1,328,215)	(1,629,749)	(1,956,626)

Numbers based on budget assumptions that will change as the budget process progresses

FY25 PROJECTED DEFICIT - BREAKDOWN

- Town operating costs projected to increase a total of \$177,879
 - Total available revenue is \$88,446
 - *Projected deficit is \$89,433*
- GDRSD operating costs projected to increase a total of \$1,121,920
 - Total available revenue is \$144,307
 - *Projected deficit is \$977,613*

Magnitude of FY25 Deficit

Projected FY25 deficit is \$1,067,093

FY24 Municipal Expenses
\$1,373,224

FY24 Municipal Salaries
\$2,250,054

FY24 Municipal Insurance and Assessments
\$955,886

Total deficit equates to 23% of total Town operational budget

Projected Highway Department FY25 Budget
\$578,583

Projected Fire Department FY25 Budget
\$323,710

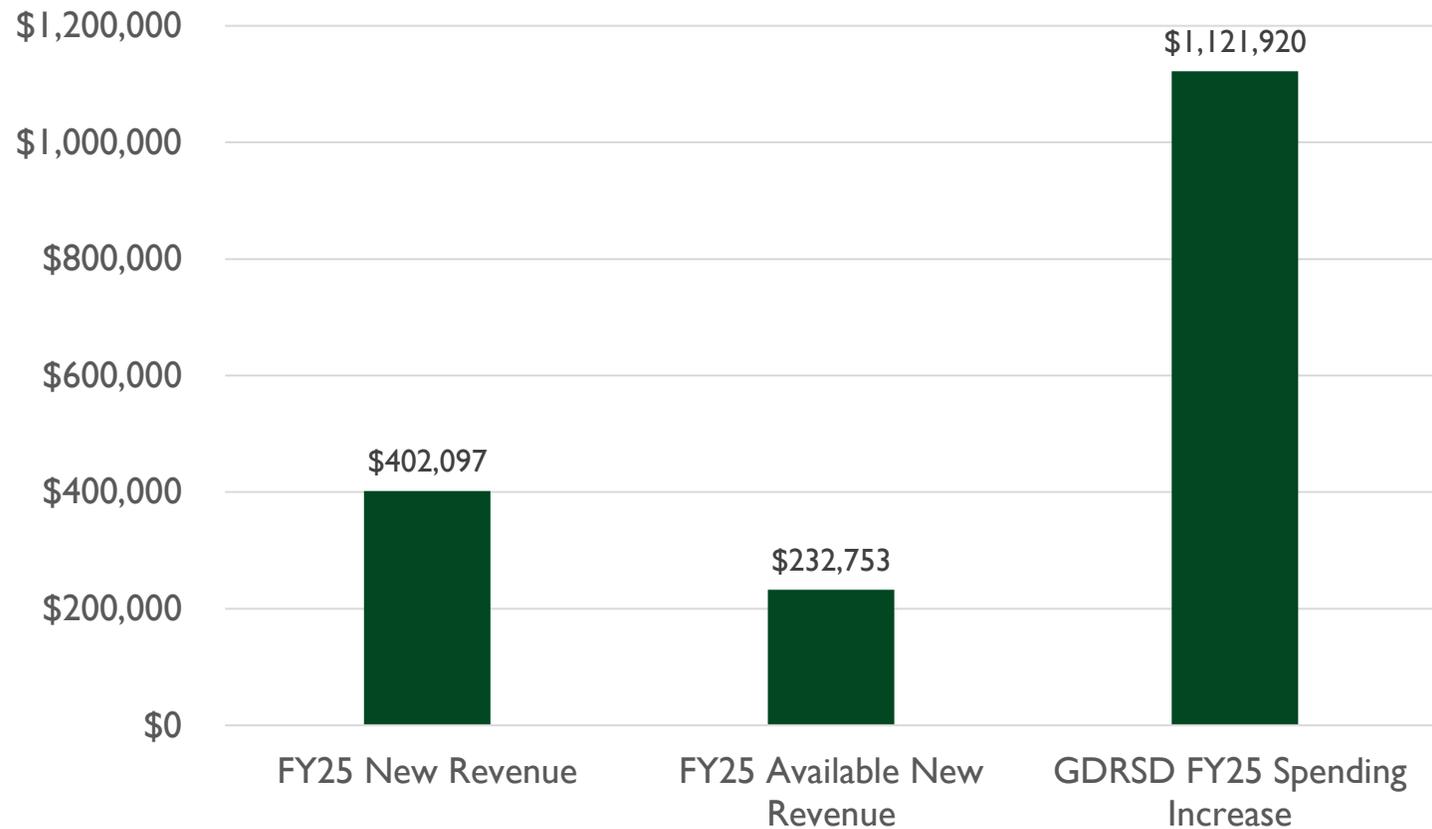
Projected Library Budget
\$206,365

All total: \$1,108,658

FY25 NEW REVENUES COMPARED TO SCHOOL ASSESSMENT INCREASE

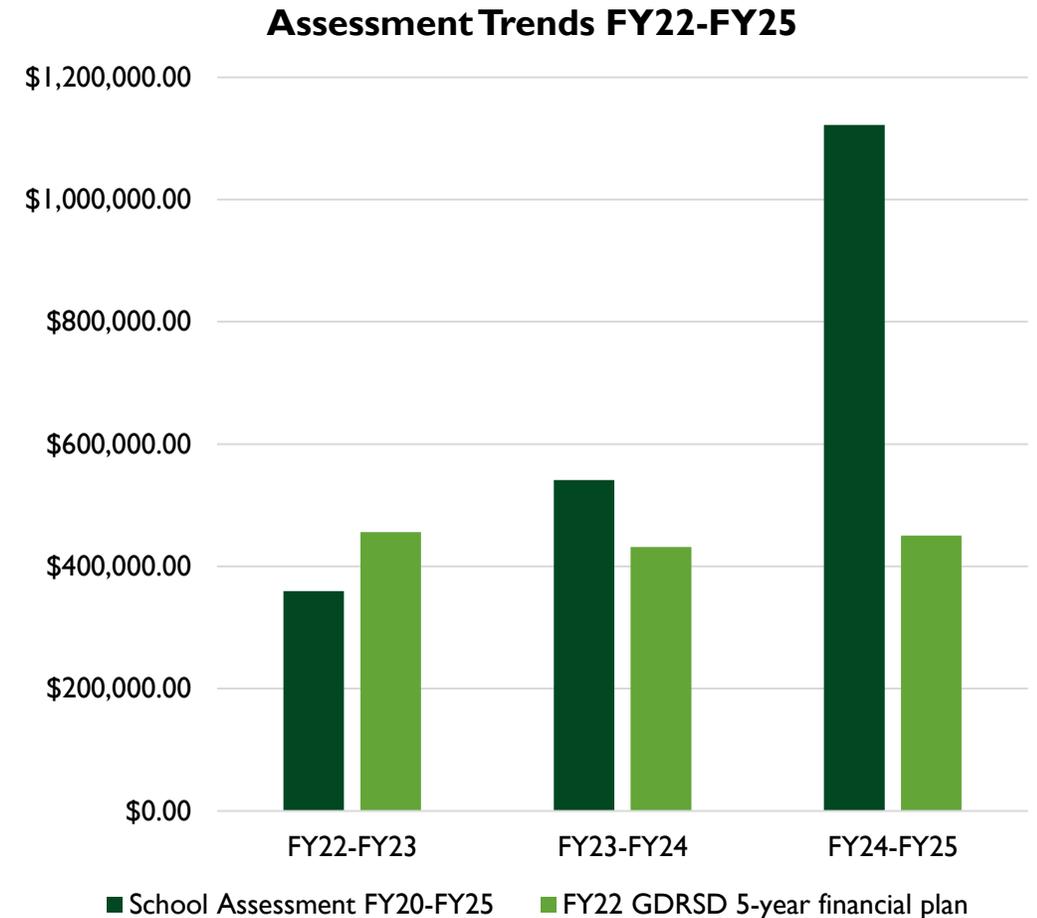
FY25 New Revenue	\$402,097
FY25 Available New Revenue	\$232,753
GDRSD FY25 Spending Increase	\$1,121,920

FY25 New Revenue Compared to GDRSD Spending Increase



SCHOOL ASSESSMENT TRENDS

School Assessment FY20-FY25	FY22-FY23	FY23-FY24	FY24-FY25
Percent Increase	4.97%	6.20%	14.49%
Dollar Amount	\$359,262.00	\$541,058.00	\$1,121,920
Percent of overall spending	59.27%	61.73%	64.15%
FY22 GDRSD 5-year financial plan			
	FY22-FY23	FY23-FY24	FY24-FY25
Percent increase	6.51%	5.79%	5.40%
Dollar Amount	456,005	431,722	450,355
Variance	-\$96,743	\$109,336	\$671,565



GROTON DUNSTABLE REGIONAL SCHOOL DISTRICT

- GDRSD FY25 current considerations as of this week:
 - The use of \$500,000 of Excess and Deficiency funds due to a certified amount that is higher than expected
 - Kindergarten fees be reduced by \$1,000 this upcoming school year rather than reducing the fee entirely in FY25
 - If the School Committee approves of these two changes to the original budget proposal, the budget deficit would decrease from \$977,613 to \$795,828

2016 GDRSD PRELIMINARY WITHDRAWAL FEASIBILITY STUDY

GENESIS OF INITIAL EXPLORATION

- Exploring options with statewide context of declining enrollments and declining revenues.
- Discussion regarding the low student population at the annual Town Meeting
- A Needs Assessment conducted by the former Superintendent of the Groton-Dunstable Regional School District, Dr. Kristan Rodriguez, and supported by the regional school committee. The student population discussion and the financial impact on the district and ability of the member towns to support this ambitious plan resulted in the Town undertaking study.

FINANCIAL IMPLICATIONS AND CHALLENGES

- Cost of central administration would likely increase
- Finding qualified staff for small districts is more difficult, due to financial constraints, having a harder time offering competitive salaries and benefits
- Contracts would likely need to be renegotiated – union, transportation, health insurance, food service, etc.
- Partial reimbursement for regional transportation would not be received, analysis of transportation costs declining, and reimbursements would need to be conducted
- Variety of courses and levels, sports, and other activities would likely decline
- Potential of increased students choosing out of district, or choosing private school, vocational school because of lack of courses, sports, etc. causing reduction in state funding
- Grant competitiveness and how to split existing funds
- Existing financial liabilities may have ongoing impact to the Town even after leaving the district
- Smaller district is less likely to offer in-house special education programs, causing increased external placements to meet student needs
- Sufficient and appropriate facilities and space and potential capital costs to prepare space for students

SHORT- AND LONG-TERM STRATEGIES AND OPTIONS TO STABILIZE BUDGET

BUDGETING PRINCIPLES

- Budget must balance
- Forecast revenues conservatively
- Match reoccurring revenues with reoccurring expenditures and one-time revenues with one-time expenditures
- Monitor positive and negative outside budgetary influences on revenue and expenditures
- Budget should reflect community needs, priorities, and opportunities

SHORT- AND LONG-TERM STRATEGIES AND OPTIONS TO STABILIZE BUDGET

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- Short-Term Options
 - **General Fund Override**
 - **Drastic Reductions in Town Services**
 - Next year's Options
 - Local Option Tax:
 - Meals
 - Retail marijuana
 - Evaluating and increasing local fees
 - Long-term Options
 - Economic Development
 - Lease and/or sell Town-owned land

THANKS!

